



**Economic Development
and
Visitor & Convention
Bureau**

**2008-09
Report**

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Executive Summary

January 30, 2010

Challenging times require collaboration, dedication and innovation

The past year has been one of the most challenging economic times most of us have faced in Ashland and in our country. However, it has been heartwarming to see the unprecedented cooperation from our community in the support of our existing businesses that provide the jobs for our citizens, the tax revenue for our governments and the financial stability in our lives. While this report is on the fiscal year July 2008 – June 2009, we are also providing the most current information available on our programs and projects to date both in economic development and tourism promotion.

The Chamber provides the resources and tools for businesses to tackle challenges and be successful. There are hundreds of Ashland residents and business people generously giving their time, resources and expertise to work in collaboration in order to strengthen and improve our community. For over twenty-eight years, we have also done this in partnership with the City of Ashland enabling us to jointly enhance our economic sector through grants to the Visitor and Convention Bureau and Economic Development programs. We see this collaboration as not only an asset but critical to our future as a community who prides itself in maintaining our quality of life, natural environment and economic health.

The need to change, adapt, create and collaboratively work together with a positive approach is more important now than ever before. Dedicated, caring, optimistic and creative individuals work tirelessly year-round with the Chamber to create a vibrant community through their work on committees, events, projects and programs to enhance Ashland.

Challenges are met each year with innovative solutions – The following is a sample of some of these challenges and solutions you will read about in this report:

Challenge: The City of Ashland has wished to develop an economic development strategy? How do we help move this forward?

Solution: Research conducted through the economic development grants the Chamber received through the years which included industrial cluster analysis, Business Retention and Expansion Surveys, the Analysis of the Visitor Economy and the Profile of the Visitor will help augment the data available from the City to form the demographic base for the strategy. *See pages 18-43*

Challenge: How do Ashland businesses expand their market share in a competitive world marketplace?

Solution: Produced workshops on how to improve Internet Marketing – *see page 13*
Produced workshop on Destination Retail and Visual Merchandising – *see page 13*
Actively promote AFN through website and LDBG
Created 3rd Annual Global Conference on Business and Culture – *see page 10*
Help traded-sector businesses expand in the global marketplace
2007-China, 2008-Japan, 2009-Mexico
Produce Living & Doing Business Guide to feature and promote local businesses & community
National recognition from ACCE award for Communications Excellence 2009
Produce website to feature Ashland businesses and community values - *see page 8*



Ashland Chamber of Commerce

Economic Development

2008-2009 City Report



Ashland Economic Development Program 2008-2009 Report with Overview

Purpose

The City of Ashland has established a system of shared responsibility with the Chamber to handle typical economic development types of needs. The Chamber provides the following kinds of services: coordinated marketing, rapid response team to inquiries, relocation services, point of contact management and information services, general inquiries and training for local business. The Chamber will emphasize the importance of maintaining Ashland's small town feel and portraying Ashland as a family friendly community that supports its schools and places great value on the quality of education offered.

Overall Objectives

The C of C will develop and implement on-going strategies on retaining and expanding existing businesses which are research and relationship based.

Mission

The **Ashland Chamber of Commerce** is organized to advance the welfare and prosperity of the City of Ashland and the region through the promotion of the community and its businesses, business resources and development, community partnerships that strengthen everyone, support of each other through networking, events that create community and enhance business, community issues forums and discussions that promote a balanced perspective, legislative advocacy to support small business, on-going and innovative programs that generate new business.

The mission of the **Economic Sustainability Committee** is to enhance the quality of life in the City of Ashland by coordinating and supporting City and Chamber economic development initiatives which will diversify the economy, increase the average wage and preserve the natural environment.

The ESC works to attract and retain quality jobs; assist in expansion of existing companies; assist new business compatible with the values and assets of Ashland; conduct economic development research; conduct educational workshops and conferences; promote Ashland's business image and enhance Ashland's overall quality of life.

This past year, significant additions were made to copy that included extensive new demographic information from the Oregon Employment Department, Oregon Economic & Community Development Department, the April 2007 ECONorthwest Economic Opportunities Analysis done for the City of Ashland, the US Census Bureau, Southern Oregon University's School of Business Industrial Clusters Analysis in Jackson & Josephine Counties (Reid, et al. 2007), the Chamber BR&E survey results, and data from the City of Ashland Community Development Department. This includes editorial and photographic representation of the US Fish and Wildlife Forensic Laboratory that that we created working closely with their staff.

Beautiful new photography and narrative describe the importance of our local farms and wineries and the connection to our restaurant industry. This awareness and appreciation is noted from both visitors to Ashland as well as residents offering new opportunities for small business development. A new section was created on our Sister City relationship with Guanajuato, Mexico, complete with photos and description that was a collaborative writing project done with Guanajuato representatives and the Chamber. This underscores a new economic partnership with Guanajuato that will be discussed later in this report under Global Conference.

In addition, new areas of emphasis for this past year included expansion of the section on SOU including their global outreach and sustainability measures, alternative medicine, green building techniques, City of Ashland Conservation initiatives and the importance of shopping and buying locally.

Expanded Focus: In 2009/10, the publication will highlight some leading local green businesses utilizing sustainability measures

Distribution: This locally produced publication is used not only as the marketing piece for business and family relocation and for local business growth and development, it is also distributed at trade shows by SOREDI (Southern Oregon Regional Economic Development Inc.), and is used in recruitment for Ashland Community Hospital, Providence Medford Medical Center, Asante, Southern Oregon University and the City of Ashland among others. Additionally, local businesses regularly use the data in this publication to assist in their planning. It takes staff many months of work gathering all the research, developing the format, interviewing key community contributors and writing the copy.

Website & Video Development



Website and video development has become a critical component of our integrated marketing efforts. As more people continue to utilize the web for information and planning, the importance of this method of communication increases. Each year, the website grows in content and relevance to various markets. Visitation to our website has increased each year to the current *139,000 individual visits (up 7% over previous year), over 1 million page views, 5.71 pages viewed per visit, 11% increase from Oregon, 5% increase from California.*

Global Conference on Business & Culture 2007 - 2008 - 2009

Meeting a local need

To more clearly define the current status of the ***Global Conference on Business and Culture***, now in its 4th year, it is important to understand why it was created in the first place, what need it met and why it is critical to keep the global channels open. The Conference might never have happened had the Chamber not been working in partnership through an economic development grant with the City of Ashland to improve the economy. Deep analysis of the economy through surveys, economic studies and numerous interviews and meetings uncovered significant findings on business connections, markets and suppliers which enlightened our understanding and fueled our innovation for developing meaningful programs.

The global marketplace for Ashland businesses:

It became apparent to the Chamber through the Business Retention and Expansion (BR&E) surveys of local businesses conducted through this city grant process starting in 2005 that a number of people were doing business globally in Ashland. We found others wanted to expand their markets internationally but didn't know how. While sales to and purchases from the region strengthen the regional supply chain, industries which principally target regional markets are limited by the size of demand for a given industry, and are challenged by competition from new businesses and/or Internet sales. Serving markets beyond the region broadens a given industry's growth potential, augments demand for regional products, and provides the opportunity for companies to specialize in products or services in which they enjoy niche markets or cost advantages. Serving external markets exposes companies to a wider field of national and international competition, stimulating firms to seek cost savings, to adopt new technologies or make timely market and product adjustments.

Survey findings about sales to and purchases from regional and external markets provided us a sense of how connected businesses are to local customers and suppliers, and the degree to which local companies trade in wider markets where they benefit from vast growth potential and face competition straight on. The results in the BR&E survey of dynamic Ashland businesses showed that nearly two out of three served external markets, and for one out of three Ashland businesses, the majority of their sales (over 75%) went to customers outside the Rogue Valley. Nearly one out of three businesses sold in international markets. A majority of firms in manufacturing (including food and wine), information services, professional, scientific and technical services, educational services, accommodations and food services reported that the majority of their sales went to customers outside the Rogue Valley.



on the panel. In addition, Japanese culture including music and décor were featured throughout the program (see enclosed event brochure). As a result of the program, a DVD was created on the conference that is viewable on our website.

The Ashland Chamber of Commerce, working with the government and businesses of Ashland's official sister city **Guanajuato, Mexico** in 2008 formed an economic exchange resulting in the sharing of ideas on areas of common interest regarding such topics as tourism promotion, marketing, education and local product manufacturing. Business exchanges have occurred and were expanded for the 40th year celebration (April 13 – 18, 2009) with the highlight being the third annual **Global Conference on Business and Culture – How to do Business in Mexico** for 2009 featuring Guanajuato, Mexico on April 16th and 17th 2009. Business and government leaders from both countries addressed the strengthening of international partnerships in these current economic times through expanded trade and academic exchange. The event expanded to a two day function in 2009 on the campus of Southern Oregon University beginning with an afternoon of academic and cultural understanding leading, an evening reception for 350 and into the day-long Friday how-to-do business event. On April 17th, 2009, we hosted over 150 people from the United States and Mexico at the conference geared on building business relationships between our two equally dynamic cultures. Welcome videos from both **Governor Kulongoski** and **Governor Jose Manuel Oliva** were followed with a keynote address from **Jose Luis Romero Hicks**, from Mexico's Federal Government who serves on the Mexican Council on Foreign Affairs. His address focused on the current state of the Mexican economy and how it stands internationally. The morning panel focused on two important agencies in Mexico's trading infrastructure. **Alejandro Velasco Alvarado** introduced COFOCE, an economic assistance program based in Guanajuato. This agency, established by previous Governor **Juan Carlos Romero Hicks**, supports the exporting of goods from the State of Guanajuato all over the world and provides expertise to those interested in exporting their goods. Also serving on this panel was **Heriberto Abraham Zazueta Macias**, the Logistics Director of the Inland Port of Guanajuato. This panel was moderated by **Jose Luis Romero Hicks**. The Luncheon address was given by Deputy Consul **David Simon** from Mexico's Consul General office out of Portland, Oregon, translated by **Mina Turner**. He spoke of a Federal Program in Mexico: Pro Mexico. This program helps facilitate and discover new opportunities for Mexican businesses abroad and helps Mexican businesses have a farther reach in the World. The afternoon was split into two sessions. The first panel was on Mexican business operations. **Dennis Slattery** served as moderator as **Karen Burnstein Valadez**, a restaurant/night club owner in Guanajuato, **Bryan Peterson**, the Vice President of Wells Fargo Foreign Exchange Services and **Mathew McCartney** an SOU MBA student with extensive experience in business ownership and start up in Mexico, shared their vast expertise on how businesses operate in Mexico and differences between business operations in each culture. The last session of the afternoon was an in-depth look at Business Assistance programs available in the United States. Serving on the panel moderated by **Jim Teece** were **Derrick Olsen** the International Trade Manager from the Oregon Economic and Community Development Department, **Scott Goddin**, the Director of the Portland U.S. Export Assistance Center, **Jim Lucchesi**, Senior Business Development Officer for the Export Import Bank of the U.S. located in San Francisco, and **Amanda Welker** the International Trade Manager for the Oregon Department of Agriculture. These four individuals focused on what assistance is available to both small and large businesses looking to expand internationally.

Follow-up: Post conference contact was made with an Ashland business owner and the Mexican Interior Port officials to assist in facilitating trade for their locally made product in Mexico. This would not have happened had we not created the conference and established the necessary relationships.

They shared their experiences of:

- Making their business practices and operations greener
- What 'greener' really means;
- What financial incentives are available for making these changes;
- How these changes improve their bottom lines.

Speakers included: David Yudkin, Owner of Hot Lips Pizza, based in Portland, who utilizes local produce in his pizzas and specialty fruit sodas that he makes in house. Secondly, Barry Russell, CEO and Co-founder of Encore Ceramics of Grants Pass spoke on using solar energy and reusing and selling waste materials in his business practices. From the local market, Alex Amarotico, Co-owner of Standing Stone Brewing Company, who has been called a leader in restaurant energy conservation by the Oregon Department of Energy, spoke on Standing Stone's successes and future plans for reduced energy in business practices.

This event was videotaped and broadcast on RVTV as well as available on the Ashland Chamber website to encourage future edification of business owners.


Rapid Response Team

Rapid Response Team and Staff Consultations:

The **Rapid Response Team** is a group of business leaders, staff, and at times City leaders, brought together to meet with a new or expanding business to help facilitate their progress, many times at a moment's notice. They provide information, guidance, referrals when appropriate and always support.

Staff Consultation: In addition to those instances where the team has met, staff is regularly called upon to assist with a potential new business, a business which has just started and some long time existing businesses for help with strategies for current issues. Never has this been truer than in these current economic times. Support, collaboration and assistance from local businesses are requested on almost a daily basis since the economy shifted in October 2008. Significantly more local businesses are looking for assistance and in greater numbers are taking advantage of Chamber networking opportunities, committee planning for collaborative marketing programs and looking for help finding available resources to help their business survive. Inquiring businesses sometimes only need one meeting with staff and/or the Rapid Response Team but more often than not, they require numerous contacts and on-going communication to provide needed data, contacts and follow-up.

For three years, first confidentially, and later public the Rapid Response Team met with and gave assistance to Plexis and the owners and representatives of the old Croman mill site. The Chamber, through the Rapid Response Team contacted Plexis after learning through the BR&E survey in 2006 that they were considering moving out of Ashland due to lack of land available for expansion. The committee met many times with the owner and brought City representation to those meetings as they progressed. The owner was shown possible land throughout town. The Chamber then approached the owners of the old Croman mill site to determine if they might be interested in selling a portion for this development. As there had been many discussions and proposals in the past over those 65 acres of M-1 land, the Chamber determined that it was time to discuss a plan for the site. After meetings with city staff and state representation, it was decided that the site needed a master plan to find its best use and provide guidelines for future business development. The Chamber conducted meetings with the business owner and land owner to finalize their agreement and then worked with the city and state to encourage the application for state grant monies to conduct the planning.



of workers were employed in educational, health and social services (34% vs. 19%) and the arts, entertainment, recreation, accommodation and food services industries (17% vs. 8%). Relative to the nation, a higher share of Ashland's workers were employed in higher-skill occupations: half of Ashland residents worked in management, professional and related occupations compared to one third of workers nationwide, while 20% versus the nation's 15% of workers were employed in service occupations, such as healthcare support, food preparation and serving-related occupations.

Ashland also distinguishes itself in terms of the share of its residents who earned income through self-employment activities. Nearly one-quarter of Ashland's households reported self-employment earnings (24%), a rate twice that of the nation, and notably higher than the 18% rate for Jackson County households. In a ten year period between 1990 and 2000, the number of households in Ashland increased by 24% but those reporting self-employment earnings increased by almost twice that rate (52%). The relative increase in the city's households with self-employment earnings during the 1990's significantly surpassed this change in household characteristics for Medford and the United States: between 1990 and 2000 the number of households in Medford and the nation increased by 35% and 15%, respectively, while households earning self-employment income increased only 4% in Medford, and fell by 2% nationally. Ashland's average self-employment earnings of \$27,920 were 15% higher than the nation's average, 8% above the state's average, and 63% greater than average self-employment earnings in Jackson County.

Aside from the finding that two out of three employed residents work in Ashland, the Census profiles economic and income characteristics of residents without consideration for their place of work. A more complete picture of the economic activity that occurs within the city limits, regardless of where workers live, is presented in the Economic Opportunities Analysis of the City of Ashland (ECONorthwest, 2007). The study draws from state employment records and personal interviews and offers an in-depth analysis of employment, industrial composition and economic activity in Ashland.

A summary of current employment by industrial sector is presented in the table in the Appendix. Ashland's economy is characterized by small businesses. In 2004, the average employment level was nine workers per establishment, with more than 1,000 establishments employing over 9,000 workers. The sectors with the greatest employment were public administration (18%), accommodation and food services (17%), health care and social assistance (16%), and retail trade (14%). These sectors accounted for two out of three jobs in Ashland.

The availability of labor is critical for the city's economic development. Availability of labor depends not only on the number of workers available, but the quality, skills, and experience of available workers as well. The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work, and includes both employed and unemployed workers. Children, retirees, students, and people who are not actively seeking work are not counted as part of the labor force. According to the 2000 Census, 64% of the city's population over 16 years (10,500) is in labor force. Ashland labor force accounts for over 12% of the 85,000 people in county's labor force.

Skill and educational levels of the labor force are key concerns for businesses seeking to hire qualified workers. According to the 2000 Census, Ashland's residents are highly-educated. Ashland has a greater share of residents with an associate's degree or higher (58%) than residents of Oregon (32%) or Jackson County (28%). The large share of residents with a bachelor's degree and graduate or professional degree relates, in part, to the faculty and staff employed at Southern Oregon University. However, the city's rich social, cultural, and natural amenities also attract highly-skill, highly-educated people who work in the region, telecommute to larger urban areas, or who are retired (City of Ashland: Economic Opportunities Analysis, April 2007, ECONorthwest).



Business Retention & Expansion Surveys Industry Cluster Research

The Ashland Chamber of Commerce Economic and Sustainability Committee from 2005 through 2009, took the region's cluster development efforts to the next level. Through its **Business Retention and Expansion (BR&E)** program, local businesses in potential clusters were identified and then interviewed in order to learn more about their operations, their connections with other local businesses, and about the challenges they face. The BR&E subcommittee developed Ashland's survey instrument following a comprehensive review of other communities' questionnaires and recommendations of an economic consultant. Following a standard survey with the assurance of confidentiality, interviewers queried businesses along topic areas such as general business characteristics, employment characteristics and issues, workforce training, sales and materials markets, changes in business activities, and business's evaluation of public services and amenities in Ashland. The BR&E's use of volunteer business owners as interviewers yielded important benefits for uncovering local business issues. Not only did most respondents easily relate to the interviewers, but they spoke openly about their challenges of doing business in Ashland. With information from these interviews, the BR&E committee assists local businesses to overcome obstacles that impede their growth, develop educational programs to enhance business knowledge, and create promotional plans to encourage business development.

What is a Business Retention and Expansion Program?

The most common objectives of economic development policies are to increase employment and income levels of an area's residents. Examples of development strategies to reach these objectives include recruiting new businesses to the area, supporting entrepreneurial development of business start-ups, or increasing trade between area industries to reduce spending outside the community, often called "leakages." One of the most effective approaches to economic development encourages the survival and growth of businesses already located in an area. Existing businesses are more likely to have linkages with other area businesses and to be familiar with the area's labor force, regulations, and its institutions. Unlike newly-locating firms, existing firms are more likely to employ residents and to be invested in the broader business and social community. It is likely that if local businesses are successful, new businesses will be attracted to the area without higher risk economic development programs focusing directly on recruitment. Improving the efficiency of existing businesses enhances the area's competitive advantage. Some consider existing businesses the engine of local economic growth.

A popular and widely-used approach for supporting existing businesses is the Business Retention and Expansion (BR&E) program. The central feature of the program is a survey of businesses to identify major business issues that can be addressed by the BR&E committee and other organizations and agencies. The program involves five major steps. First leaders in business, education, the community and public sectors convene a BR&E committee. The committee then develops a survey aimed at uncovering issues that may limit local business's success and determines which businesses to invite into the program. Next, teams of two volunteers, usually other local business owners and community leaders, visit the business and interview them on site. Analysis of the survey responses generates a detailed profile of characteristics of local businesses and reveals "red flag" issues that are major business obstacles to growth identifying and addressing. Based on the survey findings, the BR&E committee meets with businesses facing pressing issues, often involving other community and

- Businesses rated Ashland's parks, restaurants, schools and health care with an average grade of B+ or better, and the city's availability of parking, and Building/Inspection/Zoning/Land Use with average grades of C to C-.
- As a place in which to live, surveyed businesses graded the city with an average grade of B, but as a place in which to do business, respondents delivered an average grade of C+.

Local businesses draw workers from Ashland and the surrounding area. Almost half of all employees hired by surveyed firms (46%) lived in Ashland and most business owners/managers lived within 4 miles of Ashland (75%). Most of the businesses surveyed (85%), both large and small, offered benefits to their full-time employees. Over one half of the businesses reported problems recruiting qualified employees from the Rogue Valley and over a third reported that they hired employees from outside the area. Nearly one out of four companies hired management positions outside the Valley.

Markets, Suppliers and Outsourcing – Local, regional and global

Sales to and purchases from regional customers increases linkages and strengthens potential advantages of a regional supply chain. However, industries which principally target regional markets are limited by the size of demand for a given industry, and challenged by competition from new businesses and/or Internet sales. On the other hand, serving markets beyond the region broadens a given industry's growth potential, augments demand for regional products, and provides the opportunity for companies to specialize in products or services in which they enjoy niche markets or cost advantages. Serving external markets exposes companies to a wider field of national and international competition, stimulating firms to seek cost savings, to adopt new technologies or make timely market and product adjustments. Survey findings about sales to and purchases from regional and external markets provides a sense of how connected businesses are to local customers and suppliers, and the degree to which local companies trade in wider markets where they benefit from vast growth potential and face competition straight on.

Nearly all Ashland businesses served a local or regional market to some extent. Over 80% of respondents reported sales to customers within the Rogue Valley region, and half sold principally (over 75% of sales) to regional customers. But nearly two out of three businesses also served external markets, and for one out of three Ashland businesses, the majority of their sales (over 75%) went to customers outside the Rogue Valley. Nearly one out of three businesses sold in international markets. A majority of firms in manufacturing (including food and wine), information services, professional, scientific and technical services, educational services, accommodations and food services reported that the majority of their sales went to customers outside the Rogue Valley.

The selected grouping of businesses was chosen, in part, because the BR&E Subcommittee perceived them as successful companies. The survey results support their hunch. Nearly two-thirds of these Ashland businesses had remodeled or physically expanded their business in the prior three years. As a group, the surveyed businesses increased employment by 23% between 2002 and 2005. Over the same period, private sector employment increased by 8% in Jackson County (Oregon Department of Employment)

Further evidence of the surveyed businesses' dynamism comes from more than their physical expansions and employment increases. In the prior three years, 66-80% of surveyed companies across all of the industrial groupings reported that they had added products or services, made product or market adjustments and/or adopted new or improved technologies, such as labor-saving and

in increasing incomes of residents, the Subcommittee sought to learn more about high-skill companies doing business in Ashland and focused the 2007 survey on the Professional, Technical and Scientific Services industry. Such industries are a logical fit for the city given the high rates of educational attainment of its residents (Census 2000). A second group of businesses also intrigued the Subcommittee: companies using the Internet to extend their market reach beyond the region's geographic limits. Most of the local companies determined to have an online presence were in the retail, wholesale or manufacturing industries. The 2007 survey results were presented January 2008 in the Annual Report to the City but some highlights are featured here.

Businesses and shoppers alike increasingly turn to the Internet to gather information about product and service choices and make purchases. A newly released study by JupiterResearch (JupiterResearch, 2007) reports that over the past three years, online retail sales have grown at a 25% annual pace, and projects that over the next five years online retail sales will increase annually by 11%, and account for 10%-15% of the nation's total retail sales by 2011. The article argues that the value of retail websites comes not only from increased sales and reaching wider markets, but from sites' advertising and marketing driving offline sales. The study expects that by 2011 nearly half (40%) of all U.S. retail sales will be influenced by online research.

- Over half of the businesses were established in Ashland since 1990, and nearly three out of four began their businesses in Ashland.
- Over 80% of businesses sell their products or services at the retail level, and 50% sell through wholesale channels.
- Most companies have a website (94%) and over half reported that they transact sales on-line.
- Most companies are small businesses employing fewer than 30 workers, and nearly one half have fewer than 10 employees.
- Although the 2007 sample of business included mainly small businesses, the majority of them provide the following employee benefits: vacation leave: 83%; health insurance: 61%; sick leave: 61%; and retirement: 56%.
- Businesses are able to hire labor across most major occupations from the Rogue Valley region, including positions in management, sales, technical support and marketing. About a third of businesses reported that they need to hire outside the Valley for various production-related positions.
- Nearly three out of four businesses reported that a key skill needed by their employees is computer-related, and half said that their employees need more skills training in that area.
- Most local companies contract for a wide variety services such as accounting, legal, marketing, training, manufacturing, packaging, and technology-related services. For most of these services, businesses hire contractors from Ashland or within the Rogue Valley. About one in five firms contract for services related to manufacturing, training and technology outside the Rogue Valley and abroad.
- Nearly nine out of ten businesses purchase materials and supplies within the region, and one third purchase over 70% regionally. On the other hand, 83% of businesses sell their products or services outside the Rogue Valley and one third sell to international markets.
- Businesses expressed a number of advantages of doing business in Ashland. Nearly three of four



and doing business in Ashland. Nearly all businesses cited Ashland’s “quality of life” or small town appeal as a major advantage, while most expressed advantages related the city’s beauty, environment, culture, safety, or educational system. Some notable comments about advantages of Ashland included: “Faster Internet makes the global economy local;” “Great retail environment;” “Recruitment is easier because the city is an easy sell;” and “Diversity of ideas.”

After three years has passed since the original group was surveyed, the committee had hoped to revisit those companies (in 2009/10) to determine if their three year projections occurred and if so how and why did they achieve their expectations and if not, why not. This dynamic group will serve as a control group for the study. However, the city decided to not fund the Chamber with an economic development grant in the 2009/10 year for the program and without a paid independent researcher the survey unfortunately cannot continue.

In 2008, it was determined that the Tourism and Recreation Cluster, so important to Ashland’s economic base needed extensive research and analysis to better understand the strengths and inherent challenges. In addition to planning for a Tourism BR&E survey, it was decided from conversations with the City Council and staff that a thorough analysis was required of the tourism sector. First, the analysis of the base of tourism would be conducted by independent research and second, a study of the visitor profile would be conducted. These studies were to be completed in fiscal year (June 30, 2009).

BR&E Phase Three Analysis The Ashland Tourism Economy

**Part I: The Role of Tourism in Ashland’s Economy (pg 27)
Rebecca L. Reid, January 2009**

**Part II: The Ashland Visitor Profile (pg 44)
Rebecca L. Reid, December 2009**

Highlights from 2009 Tourism Economy Study

Ashland Employment & Payroll

While overall pay in Ashland is markedly lower than the state average, Ashland’s visitor sector pays close to or above the state average

	Aver Pay	As of % of state aver	Jobs	% Ash	Total payroll
Average Ashland payroll	\$27,854	73% of state average	9,946		
Arts, Ent, Rec	\$27,561	132% of state average	682	7%	\$18,796,602
Accomm/Food sector	\$13,919	94% of state average	1,736	17%	\$24,163,384
Retail	\$24,217	96% of state average	1,456	15%	\$35,259,952

The low payroll in the Accommodations and Food sector relate to the significant number of part time employment and does not include tips in the food sector.



Highlights from 2009 Visitor Profile Study

Age

Baby boomers represent the majority of Ashland visitors with the largest group (50-65 age) reflecting higher incomes, fewer dependents at home, more leisure time

Zip – West Coasters

California continues to dominate representing 45% of Ashland visitors and 55% of OSF visitors

Education – highly educated

Ashland visitors are highly educated and trending upward

82% - 87% college or graduate degrees (3 times higher than the US 27% average)

Upward trend: In 1991, 41% had a graduate or professional degree which has increased to 58% in 2007 (national average is 10%).

Income

45% - 52% have incomes over \$100,000

58% are from a two income HH

Southern Oregon visitors: 32% over \$100,000

American households: 20% over \$100,000

Upward trend: From 1997 to 2007, HH earnings over \$150,000 have grown from 38% to 44%

Trip Planning

75% use the Internet

33% use magazines and newspapers

Return visitors

65% - 75% visited Ashland in the past


50% visited in summer

Activities – culturally inclined & outdoor

In addition to a majoring selecting OSF as a destination, 80% selected shopping, sightseeing and restaurants as primary activities - 55% indicated they hiked or walked as an activity

Stay

The average length of stay is 3.5 days with the majority of visitors staying in hotels, motels and bed and breakfasts. The average party size is two people and average expenditure is \$185 per day.



visitors and visitor-oriented industries. The study is comprised of three sections which examine visitors and their impacts from three perspectives. The first study seeks to uncover clues about the importance of visitors to Ashland's economy, and the growth and seasonality indicators of visitor impacts. It focuses on city employment and tax revenue data, as well as on attendance figures from the Oregon Shakespeare Festival. A second piece of the study presents visitor characteristics, particularly those that affect the local economy, such as visitors' expenditures, lengths of stay, and lodging and activity choices. The work draws on surveys of visitors collected by the Southern Oregon Visitors Association, Longwoods International and the Oregon Shakespeare Festival. The final component discusses economic impacts of visitor expenditures, drawing from analyses done by Dean Runyan and Associates for the Oregon Tourism Commission. A simple model brings together the economic data from the study and the visitor profile data from the second, to estimate direct impacts of visitor spending on the Ashland economy.

The following report evaluates of the role visitor-related sectors play in the local economy and tracks how indicators of visitor spending change over time and across seasons of the year. Ashland's tourism sector is measured through proxies of employment in visitor-oriented sectors, tax revenues, and theater attendance. A closer look at lodging and food and beverage taxes highlights the importance of these visitor-oriented revenue sources.

Visitor-Oriented Economic Sectors

Since there are no exact measures of economic activity related to visitors, this study presents several proxy measures that together can help to clarify the role of tourism in the Ashland economy. Employment and payroll data for visitor-related industrial sectors comes from the Oregon Employment Department's Quarterly Census of Employment and Wages (QCEW). The data set reports jobs and payroll for establishments with employees who are covered under the federal unemployment insurance program. Counts and income of sole proprietors are not included, so that the economic activity is understated in visitor-related sectors with many small owner-operated businesses. To evaluate the importance of visitor-related sectors to Ashland, various measures of employment and payroll are compared to other Oregon cities and regions.

A second proxy for economic role of visitors comes from two key visitor-related sectors: accommodations and food services. Along with 102 other Oregon jurisdictions, Ashland levies a lodging room tax, called the Transient Occupancy Tax (TOT), or more generally, the Transient Lodging Tax (TLT). In Ashland, lodging tax revenues have been collected since 1976 and totaled nearly \$1.6 in FY2008. In addition to tracking TOT revenues over time and by quarter, the City's gathers data on room occupancy, thus offering a picture of the lodging supply and demand dynamics over time. Ashland also taps visitor spending through its Food and Beverage Tax, which yielded annual revenues of almost \$2 million, exceeding the TOT in FY2008. Since its inception in 1994, nearly \$23 million has been collected from dining and drinking purchases from within the city's boundaries. Various standardized measures of these tax revenues enable comparisons to be made across other taxing jurisdictions and provide more clues about the relative importance of these two visitor-related sectors to Ashland's economy.

Other economic sectors serve visitors, as well. Particularly in Ashland, visitors are attracted by cultural and nature-oriented offerings, and events which include nationally-recognized theater, art galleries, film festivals, culinary competitions, mountain biking, skiing, fishing and hiking. It is not surprising that the 7% share of employment (682 jobs) in the Arts, Entertainment and Recreation sectors was seven times higher than the share for the state as a whole, and over twice the percentage of employment in the other attraction-rich cities of Bend and Newport. Combining the employment of the Accommodations, Food Services and AE&R industries shows that nearly one-quarter of Ashland employees worked in a visitor-oriented sector, significantly higher than most of the comparator cities, Jackson County, and the state.

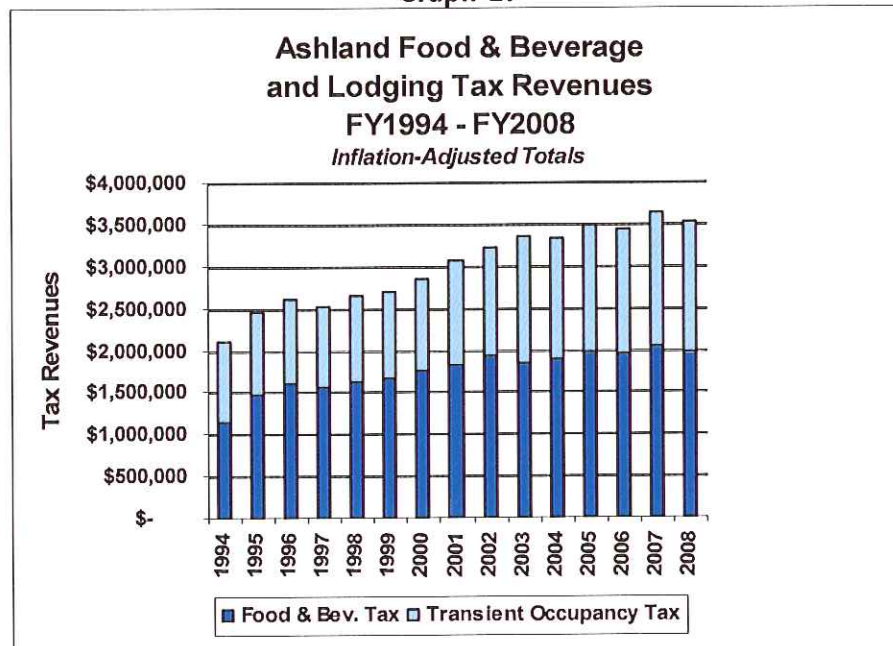
In addition to visitor spending on lodging, dining, entertainment and recreation services, tourists also rank shopping as a major vacation activity. The city's many downtown specialty boutiques cater to the tastes and interests of its well-educated, higher-income visitors and residents alike. Ashland's 15% share of employment in the Retail Trade sector was slightly lower than the percentages of the comparator cities and areas. However, 15% employment may still be considered relatively high for the town's retail sector selling in the shadow of a large commercial center. Many of the Rogue Valley region's retail needs are served by Medford, where the sector accounts for over one fifth of that city's employment. Compared to other areas, it is likely that a higher share of Ashland's retail businesses serves visitors. The other comparator cities do not have similarly large and proximate retail centers, so they likely provide more retail options to local and regional residents, and thus have higher retail-related employment. Additionally, many of Ashland's retail firms are small, owner-operated businesses. Since this employment series does not include sole-proprietors, jobs in its retail sector are likely understated.

**Table 2. Payroll Indicators in Key Visitor-Related Sectors
Comparison of Oregon Cities and Areas, 2006**

Average Pay	Ashland	Grants Pass	Medford	Bend	Newport	Jackson	Oregon
All Industries	\$27,854	\$29,316	\$32,576	\$34,900	\$28,838	\$31,693	\$38,070
Retail Trade	\$24,217	\$25,104	\$26,474	\$27,354	\$23,598	\$25,474	\$25,188
Arts, Entertainment, and Recreation	\$27,561	\$13,432	\$15,187	\$19,025	\$22,393	\$19,689	\$20,804
Accommodation and Food Services	\$13,919	\$13,095	\$13,701	\$15,288	\$14,736	\$13,670	\$14,757
% of Oregon Average Pay							
All Industries	73%	77%	86%	92%	76%	83%	-
Retail Trade	96%	100%	105%	109%	94%	101%	-
Arts, Entertainment, and Recreation	132%	65%	73%	91%	108%	95%	-
Accommodation and Food Services	94%	89%	93%	104%	100%	93%	-
Payroll by Sector as % of Total	Ashland	Grants Pass	Medford	Bend	Newport	Jackson	Oregon
Retail Trade	13%	14%	17%	12%	14%	14%	8%
Arts, Entertainment, and Recreation	7%	0.5%	1%	2%	2%	1%	1%
Accommodation and Food Services	9%	4%	4%	4%	9%	4%	3%
AE&R + Accom. & Food Services	16%	5%	4%	6%	12%	12%	12%

Source: Oregon Employment Department, 2009.

Graph 2.



Source: Administrative Services, City of Ashland, *Transient Occupancy Tax Revenues, 2008, and Economic Report of the President, 2008.*

Transient Occupancy Tax Revenues

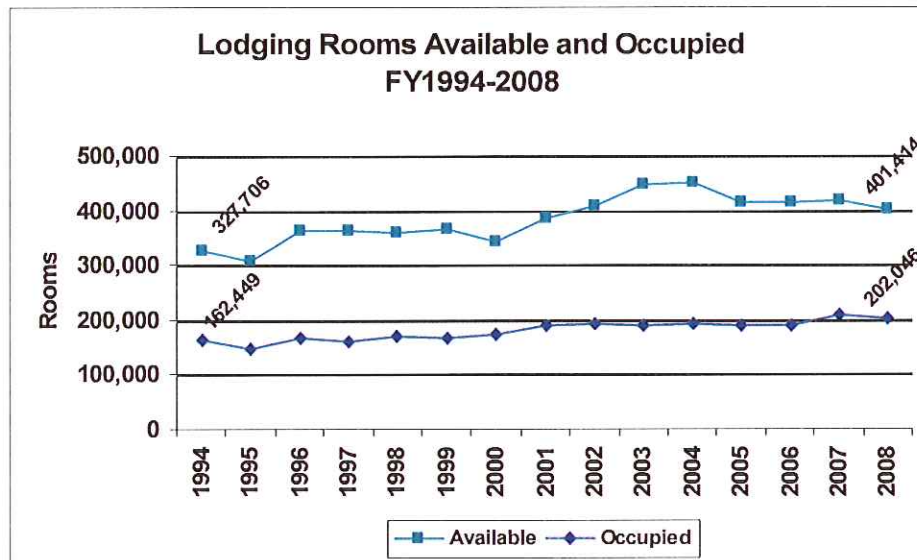
Ashland first imposed its Transient Occupancy Tax in FY1975 and has collected a cumulative total of \$17.3 million, or \$20.4 million in inflation-adjusted dollars. Ashland TOT rates started at 5%, rose to 7% in FY1992, and then increased to 9% in October 2008. According to a recent study of the collection and uses of lodging taxes, more generally termed Transient Lodging Taxes (TLT), these levies on visitors and other travelers are in charged in 103 Oregon jurisdictions at rates ranging from 1.5% to 11.5%, with most falling between 7% and 9%. The majority jurisdictions use TLT revenues to pay for general services, tourism facilities, marketing and promotion. In Ashland, close to one-third of its TOT/TLT revenues of \$1.6 million in FY2007 paid for economic and cultural development grants (14% to tourism), and over two-thirds were dedicated to the City's general fund.

Analysis of TLT/TOT statistics, both from Ashland and from other jurisdictions, offers a rare opportunity to gauge an important component of visitor expenditures, their payment of taxes to the cities which host them. Tax revenue levels and changes mirror travelers' expenditures on lodging. Derived measures of TOT/TLT data, such as revenue per resident and total receipts to lodging places, permit Ashland to be compared to other taxing jurisdictions (Table 3). Lodging receipts per resident correct for variations city size and demonstrate the size and impact of Ashland's lodging sector. On a per resident basis, Ashland collected \$72 in TOT/TLT revenues. This rate is about three times the revenues-per-resident rate statewide, and several times the rate of comparator Oregon cities and regions, with the exception of the tourist-dependent Oregon coastal region.

Total receipts paid to lodging places can be calculated by dividing each jurisdiction's tax revenues

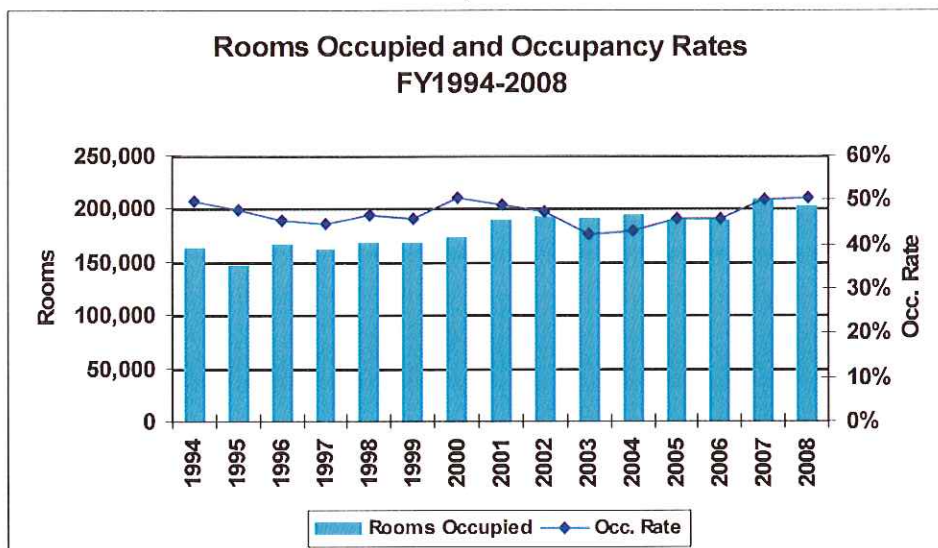
The sizeable inflation-adjusted growth in Ashland's TOT revenues stems from increases in rooms rented coupled with increases in average room rates. Since FY1994 rooms available, or supply of rooms, have increased 24%, and by nearly 79,000 rooms, to total 401,414 (Graph 3). Rooms occupied, or demand for rooms, grew by almost 40,000 to 202,046 rooms. Demand for lodging has grown faster than supply in Ashland, increasing at an average annual growth rate of 1.6%, slightly ahead of the 1.5% average annual growth in room supply. Parallel growth in room supply and demand has kept occupancy rates hovering close to 50% over the 14-year period (Graph 4), with annual occupancy rate averaging and ranging between 42% (2003) and 51% (2007).

Graph 3.



Source: Administrative Services, City of Ashland, 2008.

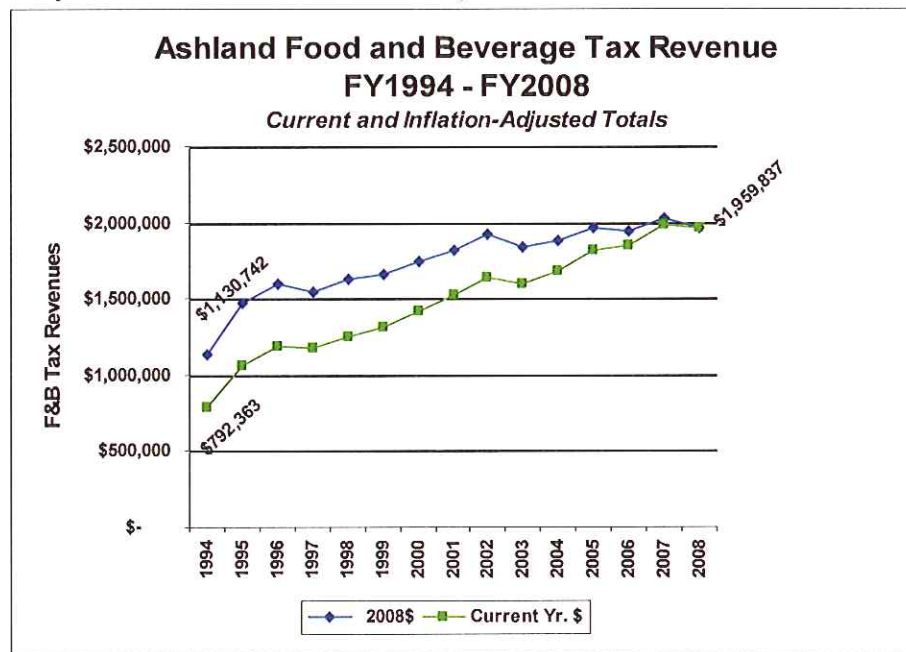
Graph 4.



Source: Administrative Services, City of Ashland, 2008.

over the same time period.

Graph 6.

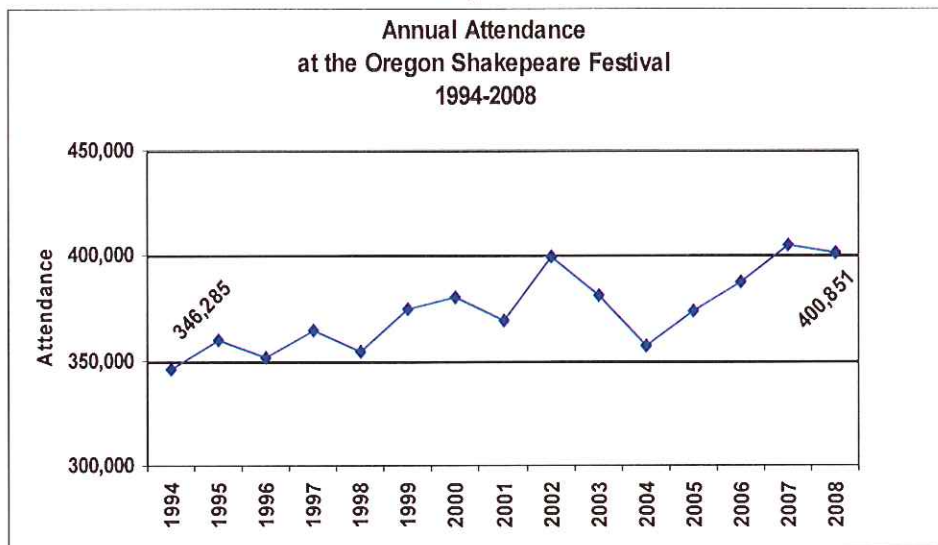


Source: Administrative Services, City of Ashland, Food and Beverage Tax Revenues, 2008, and Economic Report of the President, 2008.

3. Oregon Shakespeare Festival Attendance

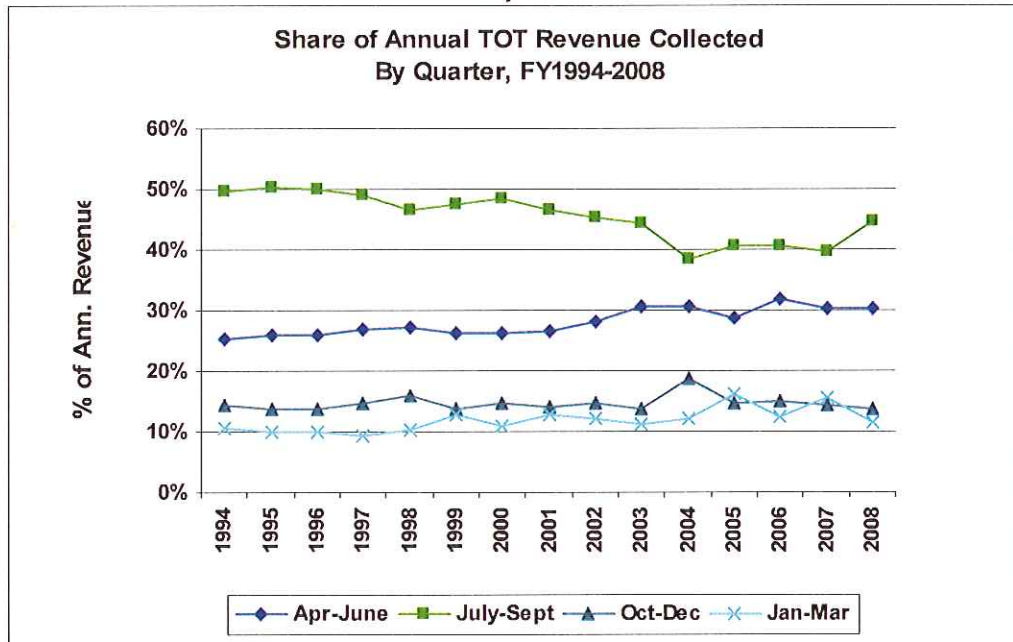
It is widely acknowledged that the crown jewel of Ashland’s many attractions is the Oregon Shakespeare Festival (OSF). Founded in 1935 by Angus Bowmer in conjunction with the City’s Fourth of July parade, the Festival’s attendance has grown to over 400,000 in the 2008 season (Graph 7).

Graph 7.



Source: Oregon Shakespeare Festival, 2008.

Graph 8.



Source: Administrative Services, City of Ashland, Transient Occupancy Tax Revenues, 2008

Seasonal variations in Food and Beverage Tax revenue parallel those of the lodging tax, higher in the summer months and lower in the winter months. In comparison, shifts in F&B revenues are significantly moderated by the year-round dining purchases of local and regional customers (Graph 9). While the earnings of lodging places are impacted by changing room rates throughout the year, receipts from the sale of prepared food and beverages are less impacted by swings in seasonal prices. Since FY1994, quarterly F&B tax revenues have varied from an average high of 30% of total revenues during July-September, to an average low of 21% from January-March. As a share of annual revenues, 58% of FY2008 annual revenues were collected through the F&B tax between July and December, compared to a higher 75% of annual lodging tax revenues during the same period. During the off-visitor season months of January to June, 42% of F&B taxes were paid by food services and drinking places compared to 25% of annual taxes paid by lodging businesses.

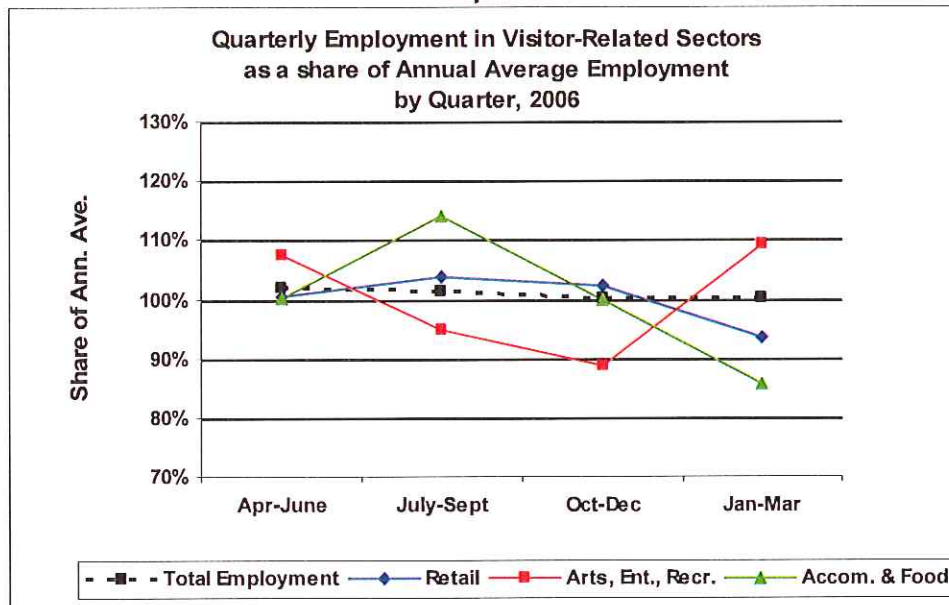
Combining tourism proxies into one picture illustrates the extent of seasonal variation of visitor-related sectors. Graph 10 compares the quarterly shares of four visitor indicators for FY2008: revenues from lodging and food and beverage taxes, lodging rooms occupied, and attendance at performances of the Oregon Shakespeare Festival. All four indicators, driven largely by OSF attendance and warmer seasons, follow a similar quarterly path, with changes in the shares of revenues from food and beverages being the most moderate. While lodging tax revenues show the greatest seasonal variations, the swings in rooms occupied are less severe and suggest the fluctuations in visitor volume may not be as wide as is suggested by lodging revenues.

the city's economy was not impacted in a discernable way by seasonal changes in visitor-related sectors.

Ashland's retail sector accounted for 15% of the city's jobs, and as a percentage of annual average employment, jobs in Retail Trade experienced a seasonal low between January and March (94% of annual average employment), and a high during the fall months (104%) during the summer months, a 10% point swing. In spite of fluctuating employment, quarterly payroll as a share of total payroll only varied by 3% points, from a low in April-June of 24% to a high of 27% in the October-December period. It is likely that more jobs in the retail sector were filled on a part-time basis during the summer months, which moderated average payroll in the summer. During the fall and holiday season, fewer part-time employees remained hired, raising the average pay for that quarter for its level of business activity.


Quarterly employment in Ashland's Arts, Entertainment and Recreation industry demonstrated even wider swings in 2006, bottoming out at 89% of average during the fall season, then peaking at 110% of average during January-March. A single major employer in this sector, Mt. Ashland, likely accounted for the high share of jobs during the winter months. The sector's high of 808 employees from January to March helped to offset declines in other visitor-related sectors of Accommodation and Food Services, and to a lesser extent, of Retail Trade. Again, removing the effect of part-time jobs, quarterly payroll as a share of total payroll followed a less erratic quarterly path, varying 5% points from a low of 23% for the October to December quarter, to a high of 28% of annual payroll for the April to June period.

Graph 11.



Source: Oregon Employment Department, 2009.

The economic sector most closely tied to visitors and vulnerable to its annual and seasonal changes is Accommodations and Food Services. At its peak during the summer months of 2006, it employed

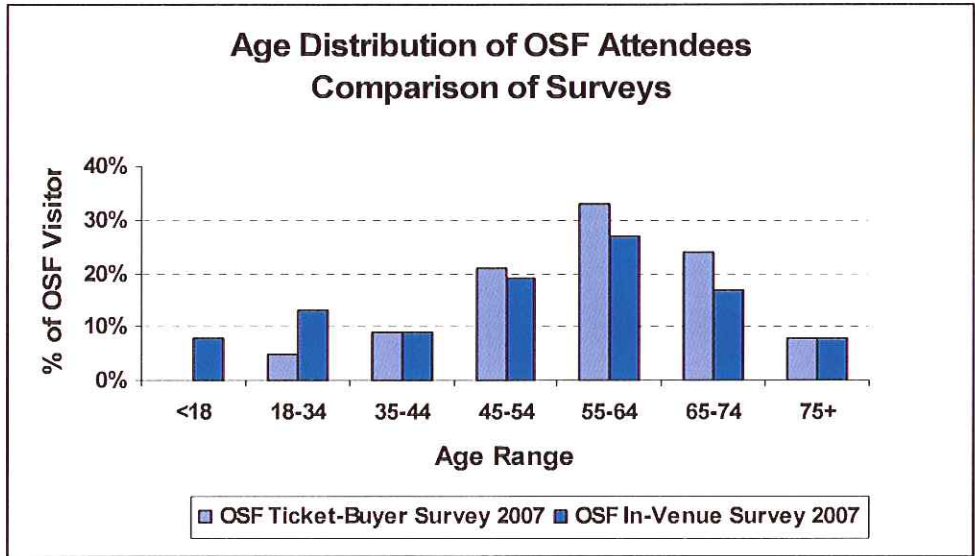


Visitor-oriented sectors have also demonstrated consistent growth over the past 14 years. Not only has attendance at the Oregon Shakespeare Festival grown by 16%, but daily expenditures of attendees per person have doubled since 1994. Increases in a combination of visitor volume, lengths of stay, and daily spending per person has propelled lodging tax revenues to more than double since FY1994, and food and beverage tax revenues to rise by 85%. Other indicators of the increase in visitor activity include a 24% jump in the number of occupied room (nights) and an 83% rise in average annual room rates between FY1994 and FY2008. This evidence suggests that visitors have an important impact on Ashland's economy, and one that has been steady and strengthening over time.

To some extent the data presented in this study also justify critics' concerns about an economy dominated by visitor-oriented sectors. Annual pay per worker in the Accommodations and Food Services sector, which accounts for 17% of jobs in Ashland, is half of the city's overall average pay of \$27,854. However, this average is low, in part, because the industry typically employs a higher share of part-time workers. However, while overall average pay per worker in Ashland is 73% of the state average, pay for workers in the Accommodations and Food Service sector is a higher 94% of the state average. In the Arts, Entertainment and Recreation sector, average pay rises to 132% of the state's pay per worker.

Ashland's visitor indicators also show clear seasonal fluctuations. Receipts to lodging places show the widest seasonal variation, reaching a high of 40% of annual earnings from July to September, then falling to a low of 10% to 15% from January to March. Employment swings in the Accommodations and Food Services industry parallel the shifts in lodging receipts. From July to September, employment peaks at 114% of the annual average in the lodging sector, and then falls to 86% of that average in the winter months. Receipts from prepared food and beverage sales fluctuate to a lesser degree, reaching a high of 31% of sales during the summer months, and then falling to 20% during the winter. Employment in the Retail Trade sector vacillates ever less, from 104% of the sector's annual average in the summer to 94% in the winter months. In contrast to the seasonal variations in lodging, food services, and retail trade indicators, overall employment in the city does not appear to be impacted by seasonal fluctuations in Ashland's visitor-oriented sectors.

This analysis of visitor indicators establishes the size, constancy, and growth of Ashland's tourism sector, but points to on-going challenges of the industry's low average pay and its seasonal variability. These issues are well-known to business and community leaders who, for years, have pursued strategies to extend Ashland's visitor season well into the fall, winter and spring months through events, promotional packages, and marketing. Renewed local political interest in strengthening Ashland's tourist economy, coupled with the changes in the current national economic conditions, may lead to new partnerships and strategies to promote Ashland throughout the year to regional and out-of-area visitors.

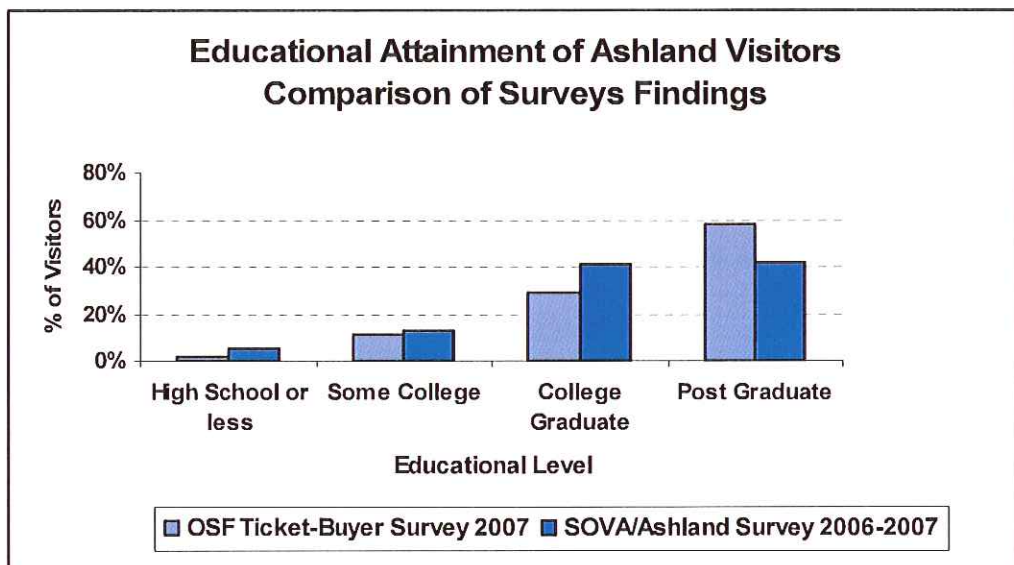


2. ZIP

- a. All surveys report generally similar findings for visitors' place of residence.
- b. Visitors from California represent the largest share, ranging from 45% of tourists interviewed in locations in downtown Ashland to 55% of attendees to OSF.
- c. One-fourth to one-third of Ashland visitors hail from Oregon, depending on the survey source. Oregonians account for a slightly larger 38% of OSF's ticket-buyer database, with 14% living in the Rogue Valley. All surveys agree that about 12% of visitors come from the Portland area.
- d. Travelers from Washington represent 8-13% of Ashland visitors.
- e. Tracking OSF's every-three year audience survey since 1991 shows no notable shifts in the regional draw of its ticket buyers.

3. Education

- a. High educational levels of Ashland and southern Oregon visitors are reported in several surveys. The share of visitors who have earned college or graduate degrees ranges from 82% to 87%. This is three times the 27% proportion for the U.S. population reported by the U.S. Census Bureau in the 2006-2008 American Community Survey.
- b. Visitors with graduate or professional degrees fall into largest educational grouping, ranging from 41% to 58%, in contrast to the nation's 10% share over the 2006-2008 period.

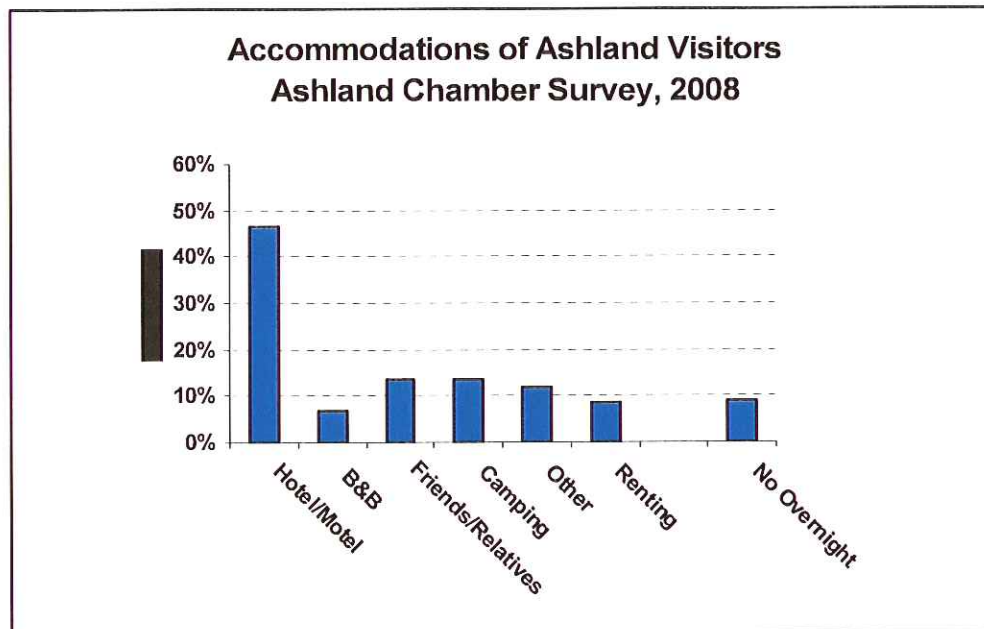


7. Activities

- a. Across the three surveys, shopping, sightseeing and eating in restaurants are hospitality-related activities enjoyed by the vast majority of visitors, ranging from 53-80% of respondents.
- b. Attending the Oregon Shakespeare Festival was listed as a key activity by two-thirds of visitors surveyed at various downtown locations, and by nearly half of those completing the SOVA survey at the Ashland Chamber of Commerce. Similarly, 12% attend other performing arts in Ashland.
- c. Complementing the performing arts is the attraction of Ashland's art scene. Art galleries were visited by one-quarter to one-third of Ashland tourists.
- d. Visitors also partake in a number of outdoor-related activities: hiking/walking (55%), fishing (37%), bicycling (9%), and rafting (8%).

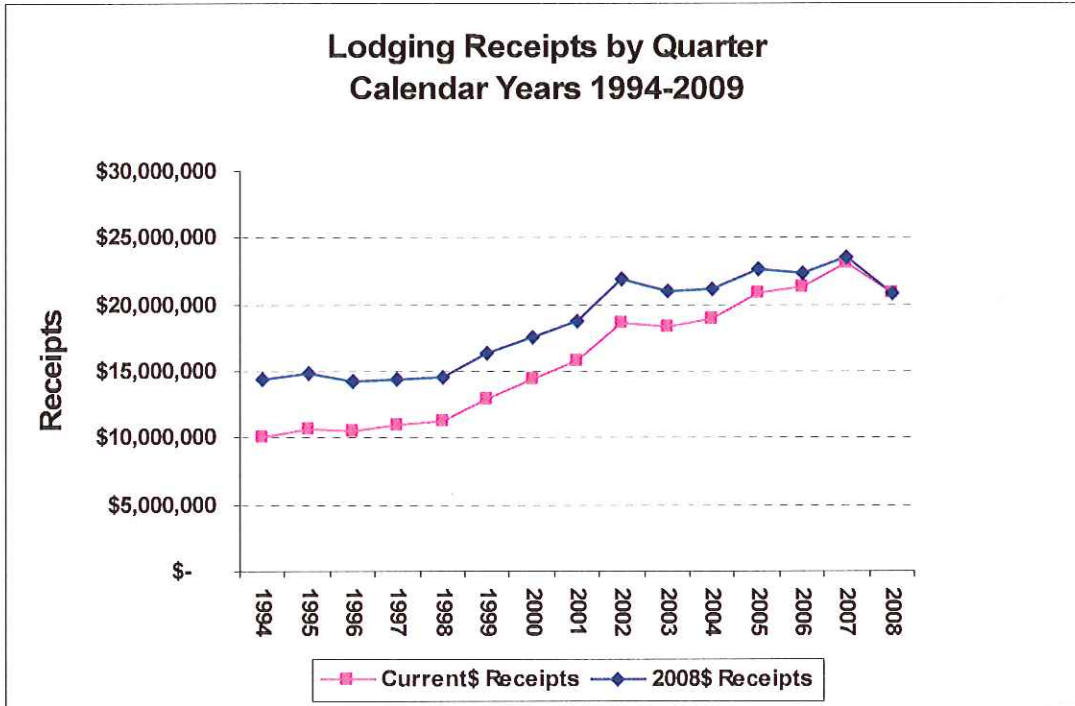
8. Accommodations

- a. Visitors' main economic impact is through their spending on lodging and dining. The surveys show that the majority of visitors to Ashland stay in hotels, motels or bed and breakfast inns.
- b. Two of three theatergoers stay in hotels or motels, and another 20% stay in bed and breakfast inns.
- c. The two surveys which profile the more general Ashland visitor find that around half of visitors stay in hotels or motels, 10% stay in bed and breakfast inns, and camping and staying with friends or relatives each account for about 14% of visitors' lodging choices.



9. Length of Stay

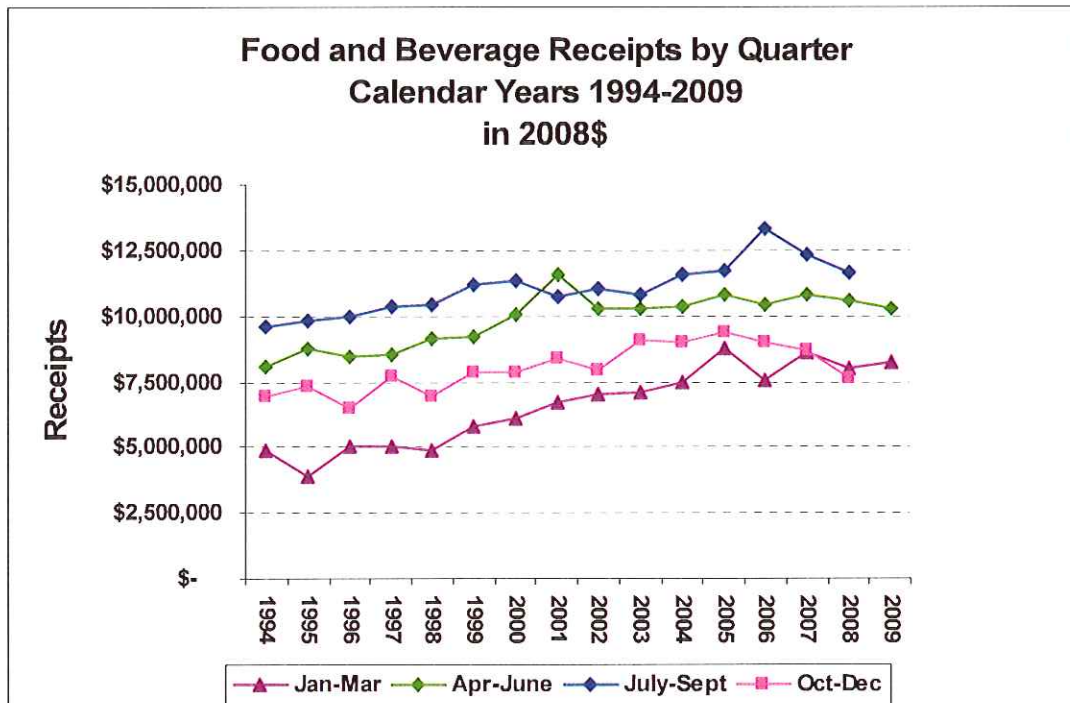
- a. How long visitors stay in Ashland affects how much economic impact they have on the city and region, particularly during the off-seasons. The focus of local and regional marketing efforts has long been to extend visitors' stay.
- b. Visitors' average length of stay is around 3.3 nights, although respondents who are visiting the greater southern Oregon region and who completed a survey in Ashland report staying an average of 4.5 nights in the area. Still, over one-quarter of OSF attendees and 42% of visitors interviewed at various locations in Ashland say they are staying three nights or more in the city.



- c. Lodging receipts have also grown steadily across all quarters between 1994 and 2007, even after adjusting for inflation. While the high visitor season of July through September rose by 39%, the real news is that lodging receipts during the off-season months of April-June surged by 83% and by 138% during the quiet winter period of January-March. The focus on the off-season marketing efforts by local and regional organizations and businesses appears to have significant long-term impacts on the lodging sector and the local economy.
- f. Following the general slowing of the national economy since 2007, annual inflation-adjusted lodging receipts declined by 11% during 2008, and by 13% for the January-March quarter between 2008 and 2009.

Changes in Lodging Receipts, Inflation-Adjusted Calendar Years 1994-2008

	Jan-Mar	April- June	July-Sept	Oct-Dec	Annual Change
1994-2007	138%	83%	39%	57%	63%
2007-2008	-28%	-4%	-11%	-9%	-11%
2008-2009	-13%	-2%	N/A	N/A	N/A



Part 4: Estimates of Visitors to Ashland

1. Estimates of visitors to Ashland are based on the number of rooms rented in motels, hotels, bed and breakfast inns and other commercial lodging places that are reported to the City when these businesses pay their quarterly Transient Occupancy Tax. Quarterly room counts combined with estimates of nights stayed and party size yield the quarterly and annual visitor estimates.
2. Between 1994 and 2007 total annual visitors increased by 22% to a high of over 304,000 visitors. Since 2007, the volume of visitors has dropped by nearly a quarter, to levels seen over ten years ago.
3. In spite of the decline in visitor volume, attendance at the Oregon Shakespeare Festival remains strong.
4. While most visitors to Ashland stay in commercial lodging places, about 40% opt to stay in alternative accommodations, such as staying with friends or relatives or camping.
5. The number of people attending OSF performance is estimated by dividing ticket sales, or attendance, by the average number of performances attended. This leads to estimates of people attending OSF plays ranging from 97,000 in 1994 to 115,000 in 2009.
6. Visitors attending performances throughout OSF's February-October season account for an estimated 40% of Ashland's annual visitors.

Office Support & Expenses

Photo file: Outstanding photography of Ashland and the region is critical to effective marketing. New photography is constantly needed to keep our images fresh in the marketplace and to reflect changes and additions. Also, the quality of graphics and design utilizing our photography is critical to the final print or web product whether it is a brochure, magazine ad, poster or website. Travel writers also depend on our ability to work with them to secure necessary images. These costs reflect payment made to outsourced graphic designers, photographers and photo reprint firms.

Map: The Planning map consists of not only a detailed City street map but includes zoning designations and other pertinent information for those looking to build their business in Ashland. It is the only map of its kind available in Ashland and is in continuous demand.

Accounting: All of the accounting for the Chamber is outsourced to an independent contractor who handles all payables, receivables and payroll and is shared by percentage of budget with the grant.

Equipment Purchase/ Rental: Postage machine rental, storage, copier, ink printer cartridges, computer backups, external hard drives, drums and a new printer.

Postage: Postage is paid for publications mailed to inquiries received by phone, mail and email. We mail first class which is critical due to the need for immediate fulfillment of customer demands. Additionally, as our marketing increases and our website visitations increase, so does the demand for additional distribution of brochures.

Office Supplies: Office supplies are the typical costs of paper, pens, envelopes, stationary, folders, files, etc.

Office Maintenance/Repair: These costs relate to the cleaning of the office to make it presentable to the public including steam cleaning on the awning, regular steam cleaning of the pavement in front of the office, carpets, floors, etc.

Telephone: The regular monthly charges for the phone system charged to the grant.

Printing: This includes the printing of small run brochures on economic development such as the Rapid Response Team brochure, Permit Planning Process Brochure, BR&E reviews.

Volunteer Appreciation: Certificates of appreciation and recognition of time contributed for volunteers serving business inquires.

Payroll: The work the Chamber staff provides requires a great deal of staff dedication not only in the carrying out of programs and projects but through the on-going meeting with business people to discuss their issues and provide assistance. In addition, staff organizes all workshops, conferences and events as well as all the research and writing of brochures, website content and press releases. This budget is allocated towards part of the cost of two positions.



Ashland Chamber of Commerce Visitor & Convention Bureau 2008-2009

VCB OVERVIEW

Purpose

For twenty-eight years, the City of Ashland and the community have relied on the Ashland Visitor & Convention Bureau (VCB) through an annual grant, to promote Ashland, year round, to visitors traveling from more than 50 miles to Ashland and to visitors who stay overnight in Ashland. Promotion includes advertising, publicizing, distribution of printed materials, marketing special events and festivals, conducting strategic planning, visitor center management and research necessary to stimulate tourism development.

Mission

The mission of the VCB is to promote visitor stays year round with a primary focus on the fall, winter and spring seasons.

Overview of 2008 - 2009 Ashland VCB

In addition to fulfilling the mission of the VCB as set by the City of Ashland, this fiscal year 2008 - 2009, a more defined marketing approach emerged to diversify and expand our visitor base while promoting and extending year round visitors. The Marketing approach is made up of three main pillars including **Culinary; Outdoor and Cultural adventures** that invite visitors here for many different experiences and reasons.

Most widely known for the world renowned Oregon Shakespeare Festival, approximately a third to half of Ashland's visitors are attracted to Ashland to see plays and have the **cultural** experience. The VCB marketing plan expands this **cultural** adventure to include Ashland's heritage by showcasing the history not only of



(SOVA). SOVA is one of seven RDMO's within the state of Oregon that work in coordination with the Oregon Tourism Commission dba, Travel Oregon, the entity that handles Oregon's statewide tourism promotion.

VCB Committee Members:

Committee Member:

Rowan Anderson & Deb Cleland
Don Anway
Maddy DiRienzo
Kevin Bendaw
Denise Daehler
Leslie Dopp
Drew Gibbs
Mary Gardiner
Shannon Johnson & Linda Farland
Tom Olbrich
Rick Saul
Vicki Capp
Graham Sheldon
Suzanne Heinrich & Jason Robison
Justin Wright
Dustin Way
Sylvia Medeiros
Josh Hamik
Katharine Flanagan

Business:

Waterstone Spa
Ashland Springs Hotel & Larks Restaurant
Science Works Museum
Oregon Shakespeare Festival
Liquid Assets Wine Bar & Restaurant
Kokopelli River Guides
Winchester Inn, Wine Bar & Restaurant
Schneider Museum
Plaza Inn & Suites
Ashland Independent Film Festival
Mt. Ashland Ski Area
Ashland B&B Network/ The Iris Inn
Ashland B&B Network/ Ashland Creek Inn
Ashland Galleries Association
Noah's Whitewater Rafting
Rogue Valley Roasting Company
Oregon Cabaret Theatre
Stratford Inn
VCB Director/Chamber Staff

MARKETING & ADVERTISING

Tourism touches every part of what the Chamber staff & VCB do. Serving over 100,000 annually who visit our office in person, in addition to approximately 24,000 people that visit the Plaza Booth, the Chamber staff and volunteers service potential, new and returning visitors to Ashland. The consistent message of hospitality and friendliness is being delivered to the visitor every day through every phone call, email and correspondence that we have.

To support the mission of the VCB committee and highlighting the three marketing pillars of CULINARY, OUTDOOR AND CULTURAL adventures, the marketing and advertising focuses on creating awareness of Ashland's off season attractions, amenities and events. Through our website, www.ashlandchamber.com, e-marketing, annual publications, events, promotions, brochures and advertising the VCB effectively targets audiences of all ages, including families with young children, couples, girlfriend getaways from Northern California and around Oregon with the goal of increasing tourism in the fall, winter and spring, while maintaining the strong levels of tourism in the summer months.

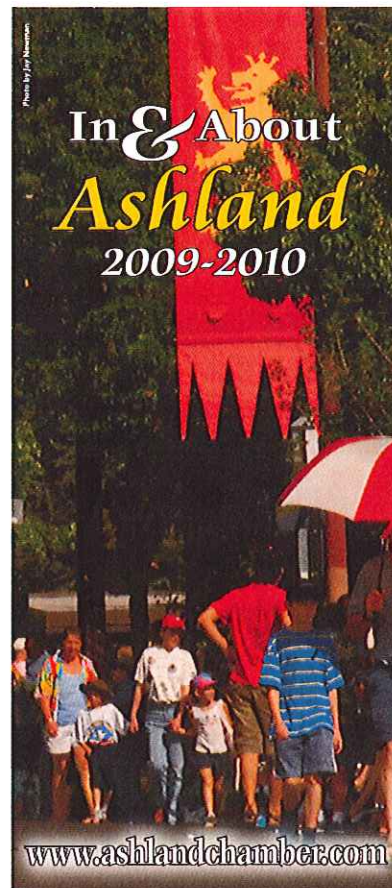
Much coordination and collection has been done to enable access to our database of visitors, event attendees, leads from interested, potential visitors and businesses. Throughout the 2008-2009 fiscal year, we incorporated social media outlets such as Facebook to draw new audiences to our website, to our events and to create a greater awareness for what the Ashland VCB does. With plans to launch the new website in June of 2010, we look forward to increasing our online traffic and communication to our visitors through interactive elements on our new site as well as more effective campaigns with stronger calls to action, such as enter to wins and date specific marketing.

Publications

In & About Visitors Guide

Our premier visitors guide, produced each Spring is an effective tool for marketing tourism with a distribution of 80,000 that is designed in house. It is mailed as a response piece to all online and phone inquiries. It is annually distributed at Portland International Airport, all Oregon State Welcome Centers and Chambers/Visitor Bureaus within Southern Oregon and Northern California, many trade shows including Bite of Oregon, Sportsman's Show in Sacramento, POW-WOW an international trade show and many more. It is also distributed to all advertisers in addition to realtors and anyone locally that can use it to help showcase Ashland. The Plaza Booth which the Chamber oversees and Chamber offices reach a combined 135,000 visitors annually, many of which request the Guide. Showcasing the events, food, lodging, shopping, fine arts, museums, maps, entertainment and outdoor recreation that Ashland offers, it is a complete picture of what the Ashland experience can provide.

May 2009: Continuing with the new elements added in 2008, the *In & About* Guide houses an annual Calendar of community events that not only helps to support and market partnering organizations such as the non-profits and small grantees that rely on the VCB for the furthest market outreach, but the calendar promotes return visits from customers and has a longer shelf-life for reference of those planning trips to and around Ashland. As we strive to increase online traffic to our website, we promote the site throughout our publication to ensure the information for the end user is available and current, always online. Preview 2010; the three pillars of Culinary, Outdoor and Cultural adventures will be highlighted as we enter our refreshed branding phase.



Living & Doing Business Guide

Showcasing the quality of life, livability, beauty and current demographics of Ashland, this comprehensive guide serves as the main response piece for business and family relocation. Locally it also serves as a membership directory. It is also a very effective tool for promoting tourism to Ashland through the stories, highlights, statistics and photography that is used. When working with travel writers, as the VCB director does, it is necessary to give a well rounded picture of Ashland that speaks to the depth of the cultural, social and intellectual communities that exist here. Because tourism is such a large part of economic development, this nationally recognized Guide captures the connection and tells the story of Ashland.

Festival of Light, Thanksgiving - New Year's

Promoted as "*Candy Cane Lane*"

Aligning with the mission of the VCB, the Festival of Light invites **families** and **folks** to Ashland during the months of November through January. With lodging packages, events and celebrations, Ashland attracts visitors not only from Southern Oregon, but from Northern California as well as Central Oregon.

Excerpt from Living & Doing Business Guide:

"The ***Festival of Light***, a community event put on by the Chamber & VCB, begins each year the day after Thanksgiving to kick off the holiday season. There is entertainment on the Plaza, followed by Santa's parade at 5:00 pm and a Grand Illumination with a countdown led by Santa who officially turns on over one million lights all over downtown. Childlike wonder at the magic of the town takes over as you view the lights, the decorations and the beautiful storefront windows. Feast on delightful cuisine at one of Ashland's amazing restaurants, catch a festive music or theater performance, or ski down the runs at nearby Mt. Ashland. With getaway packages promoted by the Visitor and Convention Bureau, the year round amenities are yours to be enjoyed with maybe a spa treatment, dinner, music and more. The season is full of fun things to do and the town is lit until just after New Year's."

Living & Doing Business Guide, 2008 - 2009

December 2009: The Festival of Light celebration was extended through the month of December each weekend in 2008 and has grown in 2009 with strolling carolers and free photos with Santa which welcomed over 650 children and their families. The ambiance welcomed shoppers, families and locals to enjoy the quaint element of Ashland during the holidays.

New Program 2009: Adopt-A-Wreath program a success! The Chamber and VCB began a new program this past holiday season to refresh the holiday decorations and start going GREEN. After 17 years, the old wreaths were looking past their prime. With the help of many volunteers and local businesses and the City of Ashland, we stripped the wreaths down to the frame, refurbished the frame, eliminated the rust and wrapped them with new garland and LED lights. 56 wreaths were created, most of which were adopted for \$250 each and shall now live for another 20 years on Main St. Plans for updating the rest of the decorations, such as snowflakes, are in the works for the 2010 holiday season.

Fall, Winter & Spring Promotions

Gift Certificate Program

We have continued this very successful program of offering Ashland Gift Certificates to participating Ashland businesses year round to encourage local shopping. Promoted most aggressively during the holiday months, folks who use the program feel it does a great job of keeping the money in Ashland during the holidays to support our local merchants. We promote this program within our Festival of Light marketing, in local newspapers, regional television commercials as well as online. The message is "Shop, Dine, Play and Stay in Ashland during the holiday season". We are excited to see local entities such as the Ashland Community Hospital uses this program for their volunteer appreciation.

marketing Spring, Fall and when Shakespeare is “dark” on Mondays during the summer. The promotion targets a more diversified, younger demographic that includes active individuals, couples, families and groups by providing examples of how to interact with the landscape and plan your next adventure to Ashland. Considering the adjustment in travel to stay closer to home, Ashland has an advantage of being halfway between Portland and San Francisco. Ashland is primarily a “drive destination” meaning most arrive by car. There is an independent spirit to our visitors. This promotion provides activities and ideas for them to plan their trips and share their experiences with the entire family. For example taking a trip during a school vacation, might lead a family to visit Scienceworks, hike Grizzly Peak, dine at one of the kid friendly restaurants and stay at a lodging establishment that has a pool. To reiterate, packaging is key when promoting Ashland, to ease travelers “hassle”. The Ashland VCB is working hard to grow this campaign and media effort and to put Ashland “on the map” appealing to a variety of niches.

Advertising

In 2008 -2009, the Ashland VCB expanded its advertising and reach to new audiences and different niche markets using the most recent information so that we know our visitors skew high in education and income. Promoting the branding of culinary, outdoor and cultural adventures, broadened our message and therefore expanded our repertoire of media we purchase. The Ashland VCB participates in local, regional and cooperative advertising in addition to providing cooperative opportunities for members of the VCB.

Regional

- **www.oregon.com**; Generating an average of 50 leads per week, there is a live link to their website which receives over 2 million visitors annually.
- **Alaska & Horizon Airlines**; inflight magazine, fall campaign
- **SkyWest**; inflight magazine; spring campaign
- **Southern Oregon Magazine and online**; Year round exposure to local & regional market
- **Gusto Magazine and online**; Attracting the culinary traveler in Central Oregon
- **Golf Oregon and online**; Cross marketing to golfers who enjoy high-end travel
- **Seattle Weekly**; Online campaigns and inexpensive to reach large market
- **Record Searchlight**; Redding’s newspaper, Third top source for traffic to our website. Both print and online
- **North Coast Journal**; Entertainment guide with artistic, coastal
- **Kids Guide to Oregon**; The Travel Oregon Kid’s Guide has a total distribution of 100,000 and is also promoted via the Travel Oregon e-newsletter, which has over 145,000 subscribers. We receive targeted leads of those people traveling with children to our area.
- **Travel Oregon Trip Planner (formerly known as the Where to Stay in Oregon Guide)** is produced by Travel Oregon in conjunction with Travel Oregon and Media America. Circulation is 250,000 annually and serves also as the official state resource guide, intended as a visitor’s itinerary planning piece and a complete source for statewide lodging accommodations.
- **Portland Guide**: This is a co-op ad with three other Southern Oregon VCB’s to reach visitors in Portland in an effort to have them visit the southern part of the state. The guide has a circulation of 100,000 at 250 locations around the Pacific Northwest.
- **Sunset Magazine**: Through the fall and winter of 2007, advertising in Sunset continued. Yet, the advertising in Sunset subsided in the Spring of 2008 as we strived to reach a different audience and the investment spent with Sunset could go further in a combination of different media outlets, i.e. online ads, local ads and more affordable regional publications. Sunset’s value is that it reaches affluent household and households of folks that take more than five trips per year. There is still value for Ashland to promote in Sunset, but on a much less frequent basis, so

Trade Shows

Bite of Oregon, *Portland August*

Proving again that Oregon's food, wine and beer are major attractions, The Bite of Oregon, the state's largest culinary festival, draws over 55,000 people through its gates for the three day festival on Portland's waterfront. With over 23 restaurants, 25 wineries, exhibits and vendors representing every part of the state, live music and an Iron Chef cooking competition, which our own Neil Clooney went on to win in 2008 AND 2009, the Bite of Oregon provides the perfect venue and target audience of the Culinary traveler, to promote Ashland and its year round amenities. The purpose of the Bite of Oregon is to raise money for Special Olympics and has done so for the past 24 years.

The Ashland VCB put together a cooperative booth, offsetting half the cost of the booth with contributing organizations that helped to man the booth and share their marketing materials. The cooperative booth included: Ashland VCB; Medford VCB, Grants Pass VCB, Ashland Gallery Association, Ashland Independent Film Festival, Ashland B&B Network, Noah's Whitewater Adventures, Dragonfly Restaurant, Main Street Tours, Waterstone Spa, Ashland Springs Hotel and Southern Oregon Wine Tours.

To create an interactive booth, we offered a getaway package to win in which folks could submit their name, email and noted interests. By capturing these names, we have grown our database significantly and can communicate upcoming events & promotions to them via e-marketing. We also discovered many folks simply had never been to Ashland or Southern Oregon, which is why our presence there was so essential! In 2009; the Final Round of the Iron Chef competition came down to TWO Ashland Chefs, Neil Clooney from Dragonfly and Franco Console from Omar's. With the added exposure for Ashland, we have seen younger travelers coming from the Portland and Eugene areas in the Springtime, many of which are coming to explore the emerging wine and culinary industries in Southern Oregon.

Exposure at Trade Shows;

Through SOVA (Southern Oregon Visitors Association) the Ashland VCB is able to have a presence at other trade shows by paying a separate fee in addition to our membership to have our brochures and donated products. This cooperative nature enables us to have a presence in many additional shows than our existing budget would allow for us to physically attend each one. The Ashland VCB has a presence at the Sportsmen's Show in Sacramento, the LA Trade Show, the Bay Area Trade Show, POW-WOW (groups and international market) as well as the Far West Ski Club Show and the Northwest Bike Show, which we are participating every other year. The great benefit is to reach different markets and broaden our outreach.

Travel Writers

The coverage from a travel writer is invaluable and offers an authentic perspective of the "experience" that Ashland VCB works to promote. Hosting a travel writer involves a high level of coordination and collaboration to provide hosted lodging, dining and access to attractions all of which has to be done in a timely manner and typically on a short time frame from when the initial communication is made. Welcoming each travel writer with hospitality and an open, cohesive presentation is necessary to create favorable results and favorable reviews. References, past articles written and the purpose or approach of the feature must be established prior to the work beginning. The Ashland VCB has

June 2009: Golden West Tours visits Ashland with bus tour of Lithia Park and theatre.

Lastly, Ashland recruits more niche groups and private organizations in its group tours and convention business as opposed to corporate travel which took a significant loss due to the shift in the economy. Compared to other towns in the region that cater to the corporate travel, Ashland's group market is more diversified working with groups as mentioned above. Ashland still markets to the corporate traveler but in a manner that connects the leisure and amenities to the business travel.

Operations

Research

To make the best decisions in marketing, budgeting and advertising, we must first know our market and our visitors. This is ever-changing and therefore ongoing research and updated resources are necessary. Using resources such as TIA (Travel Industry Association) we find that according to the 2008 survey conducted, 73% of the US Adult Population define themselves as a Leisure Traveler, having taken a trip over 50+ miles away from their home and stayed at least one night in the past year. This translates to 223 million people in the US. Of that 73% of Leisure travelers, 17% of them consider themselves Culinary Travelers, which are people that travel to learn about or enjoy unique and memorable eating and drinking experiences. This translates to 27.3 million people. The anticipated growth of this market will further support the events and promotions that Ashland and Southern Oregon provides focused on wine, food and culinary experiences.


To update our Living & Doing Business Guide, each year we must revisit all demographics and statistics to ensure their accuracy and account for any changes. In the Living & Doing Business Guide included in the front inside cover of this binder, you will find the following data: Ashland's 7% lodging tax (TOT) resulted in 1.5 million dollars collected in 2007. Gross Revenue generated by the lodging industry in 2007 was approximately \$20 million. Food & Beverage tax generated \$2 million in 2007. As of October the Lodging tax (TOT) will increase to 9%. This is a testament to the importance of tourism to our community for the local tax base but more importantly to the number of jobs supported by tourism.

Summer 2008:

To further define the profile of the Ashland visitors, the Chamber & VCB created its own survey to reach the visitors in Ashland during the summer months of 2008. The survey was distributed to lodging partners, the Plaza Booth and the Chamber office. From this survey we were able to derive a clearer picture of what brings folks to Ashland and what they do when they are here. The findings from not only the survey but incorporating data from the City of Ashland, Oregon Shakespeare Festival as well as SOREDI and SOVA will be explained in the Phase Two; visitor analysis in the next issue of the Living & Doing Business Guide 2010 as well as the economic portion of this report.

Brochure distribution

Using the In & About Visitors Guide as the most effective, printed tool to promote tourism, the VCB distributes this Guide through a variety of methods at various locations, both locally and regionally. Methods include the State Welcome Center program, which enables visitors entering the state to be acquainted with Ashland. Locations include Chambers and visitors centers throughout Northern



for the Food & Wine Classic there are posters and signage, registration forms, brochures, rack cards, programs, name tags and more that need to be produced to create the finished product and the high quality experience for the attendee of the event.

Postage

As a result of the leads or names of folks interested in Ashland, postage supports the response to all inquiries received in the Chamber & VCB office that originates from emails, walk ins, phone calls, as well as referrals. We maintain a high level of professionalism and customer service by corresponding via first-class mail to each inquiry upon receiving it and mailing them either a Living & Doing Business Guide or an In & About Guide, etc. This personal touch of a hand addressed envelope and timely receipt of information introduces a potential visitor to the experience Ashland provides. Postage supports all communication to our members, the mailing of the monthly newsletter, invitations to events and daily operations of communication. Media kits and correspondence to travel writers and brochure distribution points are also supported through postage. As we strive to encourage more traffic to our website we are seeing an increase in online inquiries, but there are very strong numbers for those folks still calling and requesting a tangible brochure. In turn they receive a personalized experience by being able to speak with a volunteer or staff member directly.

Volunteers- Plaza Booth & Office

As a non-profit, the Chamber & VCB relies on our volunteer base to serve as the front line to visitors and locals. The Plaza Booth is staffed by volunteers and operates from May through October, serving over 24,000 visitors annually. In addition each day the Chamber & VCB office is open, there are one to two volunteers who answer phones, walk in questions and handle a great variety of information to support the staff and mission. Appreciation is necessary for the volunteers, which we conduct through a training, kicking off to the summer season by providing them updates in Ashland and information relevant to visitors. We also provide a volunteer appreciation tea that enables volunteers to socialize and build the camaraderie that enables them to put forth the positive and welcoming energy they do.



Appendicies

Appendix A	2008/2009 Ashland Chamber of Commerce Board of Directors
Appendix B	2008/2009 Economic Sustainability Committee (ESC) Members
Appendix C	Endnotes and Sources



Appendix B

**Ashland Chamber of Commerce
ECONOMIC SUSTAINABILITY COMMITTEE
2008-2009**

Katy Bazylewicz	Providence Medical Center
Graham Lewis	First United Methodist Church
Mark Marchetti	Ashland Community Hospital
Mike Morris	Morris Construction
Jac Nickels	Architectural Designworks
Dennis Slattery	SOU School of Business
Jim Teece	Project A

Rapid Response Team (additional)

Alan DeBoer	Town & Country Chevrolet
Ron Fox	SORED I
Jack Vitacco	Small Business Development Center
Pam Hammond	Paddington Station
City Staff (as needed)	

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